	Notice of Request for Proposal		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 1	
		OF 61	

Solicitation Contact Person:

Jamey Schultz
 Contracts and Purchasing Section
 701 E. Jefferson, MD5700
 Phoenix, Arizona 85034

Telephone: (602) 417-4629
 Telefax: (602) 417-5957
 E-Mail: Jamey.Schultz@azahcccs.gov
 Issue Date: December 13, 2005

LOCATION: ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS)
 Contracts and Purchasing Section (First Floor)
 701 E. Jefferson, MD5700
 Phoenix, Arizona 85034

DESCRIPTION: **Admission, Preadmission, Preprocedure, Continued Stay and Retrospective Medical Reviews**

PROPOSAL DUE DATE: **January 31, 2006** AT 3:00 P.M. MST

Pre-Proposal Conference: A Pre-proposal Conference has been scheduled for **January 5, 2006, 9:00 – 10:30 a.m.**, at AHCCCS, 701 E. Jefferson, Phoenix, AZ 85034, in the Gold Room.

QUESTIONS CONCERNING THIS SOLICITATION SHALL BE SUBMITTED TO THE SOLICITATION CONTACT PERSON NAMED ABOVE, IN WRITING EITHER VIA TELEFAX OR E-MAIL BY JANUARY 6, 2006, 5:00 P.M., AT THE LATEST.

In accordance with A.R.S. § 41-2534, which is incorporated herein by reference, competitive sealed proposals will be received at the above specified location, until the time and date cited. Proposals received by the correct time and date will be opened and the name of each Offeror will be publicly read.


Proposals must be in the actual possession of AHCCCS on or prior to the time and date and at the location indicated above.

Late proposals shall not be considered.


Proposals must be submitted in a sealed envelope or package with the Solicitation Number and the Offeror's name and address clearly indicated on the envelope or package. All proposals must be completed in ink or typewritten. Additional instructions for preparing a proposal are included in this solicitation document.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the appropriate Procurement Agency. Requests should be made as early as possible to allow time to arrange the accommodation. A person requiring special accommodations may contact the solicitation contact person responsible for this procurement as identified above.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.

	Table of Contents		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 2	
		OF 61	

1.	Offer and Acceptance document	Page 3
2.	Scope of Work	Page 4
3.	Pricing Schedule	Page 11
4.	Uniform Instructions to Offerors	Page 15
5.	Special Instructions to Offerors	Page 26
6.	Uniform Terms and Conditions	Page 30
7.	Special Terms and Conditions	Page 39
8.	Exhibit A, Identified Hospitals	Page 49
9.	Exhibit B, List of Key Personnel	Page 50
10.	Exhibit C, Firm's References	Page 51
11.	Exhibit D, Financial Disclosure	Page 52
12.	Exhibit E, Offeror's Checklist	Page 53
13.	Additional Information	Page 54
14.	Certificate of Insurance	Page 56
15.	HIPAA Business Associate Addendum	Page 57
16.	End of Solicitation	Page 61

	Offer and Acceptance		AHCCCS Arizona Health Care Cost Containment System 701 E. Jefferson Street, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 3	
		OF 61	

OFFER

The undersigned Offeror hereby agrees to provide all services in accordance with the terms and requirements stated herein, including all exhibits, amendments, and best-and-final offers (if any). Signature also acknowledges receipt of all pages indicated in the Table of Contents.

Arizona Transaction (Sales) Privilege Tax License No.:

For clarification of this offer, contact:

Name: _____

Federal Employer Identification No.:

Phone: _____

E-Mail Address: _____

Fax: _____

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City

State

Zip

Title

CERTIFICATION

By signature in the Offer section above, the bidder certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 99-4 or A.R.S. §§ 41-1461 through 1465.
3. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. **The bidder certifies that the above referenced organization ___ is/ ___ is not a small business with less than 100 employees or has gross revenues of \$4 million or less.**

ACCEPTANCE OF OFFER (to be completed by AHCCCS)


Your offer, including all exhibits, amendments and best-and-final offer (if any), contained herein, is accepted.

The contractor is now bound to provide all services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the contractor's Offer as accepted by AHCCCS.

This contract shall henceforth be referred to as Contract No. _____.

Awarded this _____ day of _____ 20 _____

Michael Veit, as AHCCCS Contracting Officer and not personally


	Scope of Work		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 4 OF 61	

1. **BACKGROUND:**

- 1.1 The Arizona Health Care Cost Containment System (AHCCCS) is a Title XIX demonstration project (under Section 1115 of the Social Security Act) designed to test the use of prepaid capitated financing of health care services for eligible residents. AHCCCS was the first program nationally to provide medical services using the prepaid capitation model on a statewide basis. This is in contrast to the fee-for-service (FFS) model used in more traditional Title XIX programs. The Centers for Medicare and Medicaid Services (CMS), formerly known as The Health Care Financing Administration (HCFA), on behalf of the U.S. Department of Health and Human Services (HHS), initially approved AHCCCS as a three year demonstration project from October 1, 1982 through September 30, 1985. Subsequent CMS approvals have extended the program.
- 1.2 Legislation that became effective on May 21, 1987, established the Arizona Long Term Care System (ALTCS). ALTCS is administered, along with AHCCCS acute/ambulatory services, by the Arizona Health Care Cost Containment System (AHCCCS).
- 1.3 The AHCCCS Fee-for-Service program includes persons determined eligible for any AHCCCS program who are not enrolled in a contracted health plan. This includes Native Americans who choose to obtain medical services through the Indian Health Services and unqualified aliens who are covered through the Federal Emergency Services Program. The current population enrolled with IHS is 86,000 and is dispersed throughout Arizona with the greatest membership in Northern Counties. This population is eligible for the full array of AHCCCS covered benefits. The Federal Emergency Services (FES) Program, as specified in 42 U.S.C. 1396b(v)(3) and 42 CFR 440.255, provides emergency medical treatment assistance to aliens not lawfully admitted for permanent residence.

2. **OVERVIEW:**

- 2.1 Pursuant to AHCCCS' agreement with CMS as a Medicaid program, AHCCCS is required to provide a medical and utilization control program to safeguard against unnecessary or inappropriate use of Medicaid services, and to assess the quality of those services (42 CFR Part 456, Utilization Control). To fulfill the medical and utilization review requirements in 42 CFR Part 456, AHCCCS contracts with a physician-sponsored or physician-access Quality Improvement Organization (QIO).
- 2.2 The purpose of this RFP is to procure the services of a Quality Improvement Organization (hereby referred to as "Contractor"). The Contractor may request technical assistance from AHCCCS in the area of training of key personnel relevant to meeting the specific requirements of AHCCCS.
- 2.3 Current divisions/units utilizing the Medical Review contract within AHCCCS include the Division of Fee-for-Service Management (DFSM) in its Prior Authorization and Claims Units; the Division of Health Care Management (DHCM) in its Medical Management Unit, which consists of Catastrophic, Inpatient and Transplant Reinsurance, data warehousing; statistical analysis, and utilization management tracking and trending.

	Scope of Work		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 5 OF 61	

2.4 The Contractor shall:


- 2.4.1 Meet the criteria established for a physician-sponsored or physician-access Quality Improvement Organization, as established in the current Code of Federal Regulations (CFR's) or in the CFR's, as revised;
- 2.4.2 Demonstrate its ability to perform reviews; and
- 2.4.3 Not be a health care facility or other entity subject to reviews by, or associated with, such a facility.

NOTE: The CFR's may be viewed on the Internet at
<http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi?title=200442>).


- 2.5 The Contractor agrees to maintain a level of work performance consistent with high professional standards in the industry. The Contractor further agrees that all employees assigned to perform work relating to this Contract shall be capable, efficient and no less qualified than other employees of the Contractor performing the same or similar work.
- 2.6 The Contractor shall maintain in current status, all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.
- 2.7 The Contractor shall demonstrate that it can operate with complete objectivity and without an apparent or real conflict of interest.
- 2.8 The Contractor shall ensure that the review RNs have direct access to the Physician Advisor on a daily basis.
- 2.9 The Contractor shall utilize nationally recognized, standardized review criteria for performance of these services.
- 2.10 The Contractor shall not pay compensation to persons or organizations conducting review activities so as to provide inappropriate incentives for selection, denial limitation, or discontinuation or authorization of services. (AHCCCS AMPM Chapter 1000)

3. **SERVICE REQUIREMENTS & OBJECTIVES:**

- 3.1. Admission, Preadmission, and Preprocedure Reviews (formerly called prospective reviews) Continued Stay Reviews (formerly called concurrent reviews), and Retrospective Reviews are performed on assigned cases to determine medical coverage necessity and/or the most appropriate setting for rendering that care in compliance with appropriate federal regulations, current AHCCCS' policies and covered benefits, and defined criteria and/or nationally defined utilization criteria. In performing these utilization management/review services, Quality of Care (QOC), Level of Care (LOC), Length of Stay (LOS), and Intensity of Services (IOS) will be assessed.

	<h1>Scope of Work</h1>		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 6 OF 61	

- 3.2 All medical reviews are specific to member eligibility and covered benefits on assigned cases.
- 3.3 The Contractor will monitor all aspects of patient care, utilizing a multidisciplinary approach that encourages integration of quality review, utilization review, risk control, and infection surveillance systems. Variances should be reported to AHCCCS.
- 3.4 The Contractor should ensure consistent application of review criteria and compatible decisions that include inter-rater reliability criteria and monitoring of all staff involved in the review process. (AHCCCS AMPM, Chapter 1000)
- 3.5 The Contractor will determine whether services meet the criteria for reimbursement under the Federal Emergency Services Program (FESP), when provided to individuals eligible for services under the FESP. (AHCCCS AMPM, Chapter 1100)
- 3.6 The Contractor's admission and continued stay review responsibilities commence within 24 hours of notification by AHCCCS. (42 CFR 456.125)
- 3.7 The Contractor may provide Continued Stay and/or Retrospective review for other populations that AHCCCS may be responsible for managing based on agreements with other state agencies. Examples are inmates, whose health care services are managed by the Arizona Department of Corrections, and behavioral health patients, whose health care services are managed by the Arizona Department of Health Services.
- 3.8 The Contractor, at the request of AHCCCS, shall provide a variety of services that include, but are not limited to, the following:
 - 3.8.1 Prior authorization (Preprocedure, and Preadmission Reviews):
 - 3.8.1.1 Prior authorization determines in advance whether a service that requires prior approval will be covered, based on initial information received. (AHCCCS AMPM Chapter 800)
 - 3.8.1.2 The medical need for care is assessed in compliance with eligibility requirements and covered benefits prior to care being rendered, as follows:
 - 3.8.1.2.1 Preprocedure review of a surgical or other invasive procedure prior to the conduct of the procedure to determine if the procedure is a covered benefit and if the member's condition or symptoms meet nationally accepted criteria.
 - 3.8.1.2.2 Preadmission review performed prior to a covered admission to a hospital. Determination, for payment purposes, of the reasonableness, medical necessity and appropriateness of placement at an acute level of care.

	Scope of Work		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 7	
		OF 61	

3.8.1.3 Prior authorization is not required for emergency services. (See AHCCCS AMPM, Chapter 1100)

3.8.1.4 The Contractor will perform reconsideration of case/service denials.

3.8.2 Continued Stay Reviews:

3.8.2.1 Continued Stay Reviews are conducted for AHCCCS members who are either already hospitalized or residing in a nursing facility or long term care setting.

3.8.2.2 Admission reviews are performed within 24 hours of notification of admission, when unable to perform pre-admission review (i.e., emergent or weekend admissions) to determine whether the member's inpatient admission meets AHCCCS's and national criteria guidelines.

3.8.3 Retrospective Review (Retro-Reviews):

3.8.3.1 Retrospective Reviews are conducted after services are provided to a patient. The review is focused on determining the appropriateness, necessity, quality and reasonableness of health care services provided.

3.8.3.2 The Contractor may conduct medical and claims reviews with regard to medical necessity, appropriateness of charges, and utilization of covered benefits. (AHCCCS AMPM Chapter 1000)

3.8.4 The Contractor may perform the following services with respect to Admission, Continued Stay, and Retrospective Reviews:

3.8.4.1 Review the necessity of admissions and appropriateness of the service setting

3.8.4.2 Quality of care

3.8.4.3 Length of stay in regard to established guidelines

3.8.4.4 Whether services meet the member's needs


3.8.4.5 Discharge needs, and

3.8.4.6 Utilization pattern analysis.

3.8.5. The Physician Advisor shall interact with the attending physician directly, when requested by AHCCCS, the patient's family, or attending physician.

3.8.6 All Retrospective Reviews for medical necessity must be performed by the Physician Advisor.

3.8.7 All Quality of Care issues will be directed to AHCCCS for intervention and resolution.

	Scope of Work		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 8 OF 61	

3.8.8 Denial, termination, or reduction of services must be clearly documented as to the review process, and rationale for the action and directed by the Physician Advisor. (AHCCCS AMPM, Chapter 1000)

3.8.9 The Contractor will follow the AHCCCS Notice of Action Policies.

3.8.10 Focused Reviews:

For predetermined reasons, the Contractor will perform focused reviews on a sample of cases selected by AHCCCS.

3.8.11 Consulting Services (Physician and/or Arizona-Licensed Registered Nurse):

3.8.11.1 The Contractor will perform consulting services related to medical and utilization management as further defined in the following section of this RFP/Contract and as requested by AHCCCS.

3.8.11.2 The Contractor may be requested to perform a variety of consulting services as described including, but not limited to:

3.1.11.2.1 Provide technical assistance and improvement recommendations to health plans when requested by AHCCCS, and submit subsequent reports to AHCCCS;

3.1.11.2.2 Provide physician consultation services and review as requested for those client issues that appear not to meet established medical criteria, or that are considered experimental in nature. The situations would require technological updates and technical assistance for AHCCCS staff;

3.1.11.2.3 Provide data search services at the request of the AHCCCS Chief Medical Officer, Medical Director or designee.


3.8.12 Reinsurance Reviews:

3.8.12.1 Reinsurance is a stop-loss program for health plans and ALTCS contractors.

3.8.12.2 This program covers admission, preadmission, preprocedure inpatient, catastrophic and transplant reinsurance types.

3.8.12.3 The reviews may be conducted at AHCCCS or on site at the Contractor's facilities, and may include review of claims as well as medical documentation, as follows:

3.8.12.3.1 Inpatient reinsurance retrospective reviews are based on AHCCCS defined reinsurance criteria and may include verification of reported

	Scope of Work		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 9 OF 61	

UB92/UB-04, plan paid amount, remittance advice totals and plan paid tier levels.

3.8.12.3.2 Catastrophic – Preadmission, Preprocedure, Continued Stay, and Retrospective Reviews based on AHCCCS defined catastrophic criteria.

3.8.12.3.3 Transplant - Preadmission, Preprocedure, Continued Stay and Retrospective Reviews. Based on AHCCCS defined transplant criteria.

3.8.13 Grievance Support:

3.8.13.1 The Contractor may be requested to make available a Physician Advisor or designee to participate in grievances, in person or telephonically as designated by AHCCCS, in those instances where AHCCCS relied on the Contractor's recommendation.

3.8.13.2 The Contractor may be requested to perform a variety of reviews for case denial at the grievance level.

3.8.13.2.1 Perform review of cases in grievance relative to Utilization, LOC, LOS, IOS and QOC.

3.8.13.2.2 Make available an expert reviewer who found cause to make or confirm a coverage decision and who will be available to present the basis for that decision during a grievance hearing and/or court proceeding.

4. REPORTING REQUIREMENTS:

4.1 The Contractor shall collect and report statistics or summaries on a monthly basis, on or before the 15th of the month, as specified by AHCCCS to capture the following, at a minimum:

4.1.1 Isolated cases resulting in potential deviation in accepted medical protocols that could jeopardize health care outcomes;


4.1.2 Identification of specific patterns and trends by health care providers that could either prove detrimental to, or enhance the quality of health care;

4.1.3 Identification of potential over utilization or under utilization of care or resources;

4.1.4 Identification of issues requiring further review by AHCCCS;

4.1.5 Sentinel events;

4.1.6 Length of stay by case utilizing ICD-9 diagnosis and procedure coding on the UB-92/UB-04.

	Scope of Work		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 10 OF 61	


4.1.7 Classification of cases by case mix utilizing all ICD-9 diagnosis and procedure codes on the UB-92/UB-04, and

4.1.8 Data identified herein on a monthly basis for each patient reviewed.

4.2 Data must be submitted on diskette in an ASCII format, with comma delimited.

4.3. The minimum data elements to be provided, where applicable, may include, but are not limited to the following:

Patient Name	Approved ICU Days	Fourth ICD-9 diagnosis Code
Review Type	Actual ICU Days	Fifth ICD-9 Diagnosis Code
Review Date	Approved NICU Days	Prenatal Care Indicator
AHCCCS ID	Actual NICU Days	For Newborn:
AHCCCS Hospital ID	Days cut back to lower level of care	Newborn's ID
AHCCCS Health Plan ID	Cutback Reason	Newborn's Name
Primary Care Physician	Denied Days	Birth Weight
Admission Date	Denial Reason	Gestational Age
Discharge Date	Admission Diagnosis	Sentinel Events
Patient Status at Discharge	Primary ICD-9 Diagnosis Code	Code for Nurse Comments
Approved Days	Second ICD-9 Diagnosis Code	Readmission Indicator
Actual Length of Stay	Third ICD-9 Diagnosis Code	

	Pricing Schedule		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 11	
		OF 61	

1. **METHOD OF COMPENSATION:** The Contractor will be reimbursed based on the rates established by the Pricing Schedule.


2. **TRAVEL REIMBURSEMENT:**

- 2.1 If travel is required outside Maricopa County, AHCCCS may reimburse actual travel expenses at rates not to exceed those rates applicable to State employees. For reimbursement, the Contractor shall submit receipts for all claimed expenses for review and approval by AHCCCS. Travel guidelines can be found at www.gao.state.az.us/travel.
- 2.2 Contractor travel for all other reviews are not paid separately, and are included in the contracted rate.
- 2.3 Notwithstanding the above, if the Contractor makes a business decision to assemble a project team which may result in temporary or permanent relocation of Contractor staff, AHCCCS shall not be responsible for any relocation expenses, including any travel, lodging, meals, moving expenses, moving incentives, or housing expenses.

3. **INVOICES:**

- 3.1 By the 20th day of each month the Contractor shall submit invoices to AHCCCS for work that has been performed in accordance with contract terms and conditions and accepted by AHCCCS.
- 3.2 Each invoice shall provide the following information, as applicable: contract number, description of services performed, gatekeeper, date(s) and time(s) services were performed.
- 3.3 Each invoice shall have adequate supporting documentation attached to allow proper expense reimbursement.
- 3.4 The Contractor's invoices shall be submitted to:

AHCCCS
Accounts Payable
701 E. Jefferson St. MD 5400
Phoenix, Arizona 85034

	Pricing Schedule		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 12	
		OF 61	

Note: Supporting documentation shall not be included with the original invoice that is sent to AHCCCS Accounts Payable Unit. Since the supporting documentation may contain confidential member information, the Contractor shall submit a duplicate copy of the invoice with all necessary supporting documentation, e.g. case abstracts, to AHCCCS Division of Fee for Service Management, MD 8500, at the same street address shown above.

4. **UNACCEPTED WORK:** Any work performed by the Contractor that AHCCCS does not accept shall not be compensated by AHCCCS. The Assistant Director of the Division of Fee for Service Management at AHCCCS is the official who is authorized to accept/reject work performed under this contract. At AHCCCS' option, the Contractor may be required to redo substandard work to bring it into conformance with acceptable standards. Such substandard work shall be documented.
5. **PAYMENTS:** AHCCCS will pay the Contractor within 30 working days of receipt of Contractor's invoice, provided it includes required information and supporting documentation. Failure to submit invoices within 90 working days after providing services may result in payment denial by AHCCCS.
6. **MAILING OF PAYMENTS:** State below the address to which payment should be mailed:


Company Name

Address

City, State, Zip Code

E-mail Address

7. **PRICES:**
 - 7.1 The following are firm, fixed rates for the initial term of any resultant contract.
 - 7.2 In the event AHCCCS exercises its sole option to renew the contract for additional periods pursuant to the applicable provisions of this document, any rate increases will be negotiated between AHCCCS and the Contractor.
 - 7.3 Any rate increase adjustment, if approved, will be effective upon the effective date of the contract extension.

	Pricing Schedule		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 13	
		OF 61	

- 7.4 **Offerors shall provide proposed rates for the following types of review in the format identified below:** The proposed rates shall be considered "all-inclusive," and the successful Contractor will not be reimbursed for any other costs associated with the resultant contract services (except for "Travel Reimbursement.").

Whether the Total Composite Rate Per Case or the Hourly Rates will apply for a service will be determined by AHCCCS when the services are requested.

Arizona-licensed Registered Nurses and Physicians will be utilized.

AHCCCS is unable to provide historical costs for time attributed separately to physicians and RNs for each type of review; however, proposed composite rates should reflect industry norms or the Offeror's own experience.

7.4.1 Total Composite Rate Per Case

7.4.1.1 Preprocedure, & Preadmission Reviews:

\$_____ Total Rate Per Case

7.4.1.2 Continued Stay Review:

\$_____ Total Rate Per Case*


*Pricing shall consist of one fixed rate to include the initial review, and all subsequent re-reviews, until the patient no longer requires interrupted acute or sub-acute care.

7.4.1.3 Retrospective Review:

\$_____ Total Rate Per Case

7.4.1.4 Focused Review:

\$_____ Total Rate Per Case

	<h1>Pricing Schedule</h1>		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 14 OF 61	

7.4.2 Hourly Review Rates:

7.4.2.1 Preadmission Reviews, Admission Reviews, Continued Stay Reviews, Retrospective Reviews, or Focused Reviews:

Physician \$ _____ Total Rate Per Hour
R.N. \$ _____ Total Rate Per Hour

7.4.2.2 Consulting Services:

Physician \$ _____ Total Rate Per Hour
R.N. \$ _____ Total Rate Per Hour

7.4.2.3 Grievance Support:

Record Review:

Physician \$ _____ Total Rate Per Hour
R.N. \$ _____ Total Rate Per Hour


7.4.2.4 Appearances (e.g., hearings) – In person:

Physician \$ _____ Total Rate Per Hour
R.N. \$ _____ Total Rate Per Hour


7.4.2.5 Appearances (e.g., hearings) – Telephonic:

Physician \$ _____ Total Rate Per Hour
R.N. \$ _____ Total Rate Per Hour


8. **PRICE JUSTIFICATION:** As an attachment to this Pricing Schedule, the Offeror should provide justification for the prices given. For example, in the justification, Offeror must clearly state whether any start-up and non-recurring costs are included or excluded from the proposed rates.

	Uniform Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 15	
		OF 61	


1. **Definition of Terms:** As used in within this solicitation document, and any resultant contract, the terms listed below are defined as follows:
 - 1.1 “*AHCCCS*” means an Arizona Health Care Cost Containment System - managed health care program which pertains to health care services provided pursuant to A.R.S. 36-2903 et. seq., and is also the name of the State agency.
 - 1.2 “*ALTCS*” means the Arizona Long Term Care System, a program under AHCCCS that delivers long term, acute and behavioral health and case management services to members, as authorized by A.R.S. 36-2931, et seq.
 - 1.3 “*Admission Review*” means a review and determination by a QIO of the medical necessity and appropriateness of a patient’s admission to a specific facility.
 - 1.4 “*Ambulatory Care*” mean preventative, diagnostic and treatment services provided on an outpatient basis by physicians, nurse practitioners, physician assistants and other primary care providers.
 - 1.5 “*AMPM*” means the AHCCCS Medical Policy Manual.
 - 1.6 “*Arizona Administrative Code (A.A.C.)*” means State regulations established pursuant to relevant statutes. Relevant sections of the AAC may be referred to as “AHCCCS Rules.”
 - 1.7 “*A.R.S.*” means the Arizona Revised Statutes.
 - 1.8 “*Attachment*” means any item the Solicitation requires an Offeror to submit as part of the Offer.
 - 1.9 “*CMS*” means the Centers for Medicare and Medicaid Services, an organization within the U.S. Department of Health and Human Services which administers the Medicare, Medicaid and State Children’s Health Insurance Program.
 - 1.10 “*Continued Stay Review*” means QIO review that is performed after admission review and during a patient’s hospitalization to determine the medical necessity and appropriateness of continuing the patient’s stay at a hospital level of care.
 - 1.11 “*Contract*” means the combination of the Solicitation, including the Instructions to Offerors, Contract Terms and Conditions, Scope of Work; the Offer, any Best and Final Offers and any Solicitation Amendments or Contract Amendments; and any terms applied by law.
 - 1.12 “*Contract Amendment*” means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the contract.
 - 1.13 “*Contract Services*” means the services to be delivered by a Contractor, which are so designated in the Scope of Work of this contract and in the AHCCCS Medical Policy Manual.

	Uniform Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 16	
		OF 61	


- 1.14 *"Contracting Officer"* means the person duly authorized by AHCCCS to enter into and administer Contracts and make written determinations with respect to the Contract or his or her designee. Also referred to as "Procurement Officer."
- 1.15 *"Contractor"* means a person who has a contract with AHCCCS.
- 1.16 *"Days"* means calendar days unless otherwise specified.
- 1.17 *"Director"* means the Director of AHCCCS.
- 1.18 *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.19 *"Federal Emergency Services Program"* means a federal program, specified in 42 U.S.C. 1396b(v)(3) and 42 C.F.R. 440.255, which furnishes emergency medical care and services to an alien who is not lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of the law.
- 1.20 *"Fee for Services (FFS)"* means a method of payment to registered providers on an amount per service basis.
- 1.21 *"Fee for Service Member"* mean a person determined eligible for any AHCCCS program who is not enrolled in a contracted health plan.
- 1.22 *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.23 *"Health Plan"* means an organization which contracts with AHCCCS to administer the provision of a comprehensive package of AHCCCS covered acute and behavioral health care services to AHCCCS members enrolled with the health plan.
- 1.24 *"Health Plan or Program Contractor Enrolled Member"* means a person who is determined eligible for any AHCCCS program who is enrolled with a contracted health plan or program contractor.
- 1.25 *"Indicator"* means an objective performance measurement tool used to monitor and obtain information about the quality of a particular aspect of care or service and to direct attention toward opportunities for improvement.
- 1.26 *"IOS"* means intensity of services.
- 1.27 *"LOC"* means level of care.
- 1.28 *"LOS"* means length of stay.

	Uniform Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 17	
		OF 61	

- 1.29 *"May"* indicates something that is not mandatory but permissible.
- 1.30 *"Medicaid"* means a federal/state program authorized by Title XIX of the Social Security Act, as amended, which provides federal matching funds for a state operated medical assistance program for specified populations.
- 1.31 *"Medically Necessary"* means a covered service provided by a physician or other licensed practitioner of the healing arts within the scope of practice under state law to prevent disease, disability or other adverse health conditions or their progression, or to prolong life. Reference R9-22-101.
- 1.32 *"Medicare"* means a federal program authorized by Title XVIII of the Social Security Act, as amended.
- 1.33 *"Member"* means an individual eligible for any of the programs operated by AHCCCS as defined by A.R.S. 36-2901, A.R.S. 36-2931 and A.R.S. 2981.
- 1.34 *"Offer"* means bid, proposal or quotation.
- 1.35 *"Offeror"* means a vendor who responds to a Solicitation.
- 1.36 *"Outcome"* means the result (s) or effect (s) of the performance or nonperformance of one or more functions or processes.
- 1.37 *"Pattern"* mean an identifiable arrangement of data (or grouping or distinction) suggesting a systematic or predictable design of behavior.
- 1.38 *"Peer Review"* means review by health care practitioners of services ordered or furnished by other practitioners in the same professional field.
- 1.39 *"Physician Advisor"* means a physician currently licensed to practice medicine and is board certified in the specialty in which they practice, who is contracted for the review organization to provide expert medical opinions.
- 1.40 *"Practice Guidelines"* means a nationally or generally accepted principle for patient management, with care specifications based on the most current scientific findings (evidence of effectiveness), clinical expertise, and community standards of practice.
- 1.41 *"Practice Parameter"* means an overall management strategy that outlines a range of appropriate services for a given clinical condition or identifies a range of clinical conditions for which a given service may be appropriate.

	Uniform Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 18	
		OF 61	


- 1.42 *"Preadmission Review"* means review prior to a patient's admission to a hospital to determine, for payment purposes, the reasonableness, medical necessity and appropriateness of placement at an acute level of care.
- 1.43 *"Preprocedure Review"* means review of a surgical or other invasive procedure prior to the conduct of the procedure.
- 1.44 *"Principal Diagnosis"* means the diagnosis established after study to be chiefly responsible for causing the patient's admission to the hospital.
- 1.45 *"Principal Procedure"* means the most resource-intensive procedure performed for definitive treatment and most closely related to the principal diagnosis (Coding Clinic, fourth quarter 1990, page 5).
- 1.46 *"Procurement Officer"* means the person duly authorized to enter into and administer contracts and make written determinations with respect to the contract or his/her designee. Also referred to as "Contracting Officer."
- 1.47 *"Program or ALTCS contractor"* means a person, organization or entity agreeing through a direct contracting relationship with AHCCCS to provide the goods and services to ALTCS members specified by contract, AHCCCS statute and rules and federal law and regulations, as defined in A.R.S. § 36-2931.
- 1.48 *"Provider"* means a person or entity who contracts with AHCCCS or subcontracts with an AHCCCS contractor for the provision of hospitalization and medical care to members.
- 1.49 *"QIO Review"* means review performed in fulfillment of a contract with CMS, either by the QIO or its subcontractors.
- 1.50 *"Quality Improvement Organization (QIO)"* means an organization contracted by AHCCCS or by CMS to promote quality care services for Medicaid beneficiaries to determine if services rendered are medically necessary, appropriate, and meet professional standards of care.
- 1.51 *"Reinsurance"* means a stop-loss program for health plans and ALTCS contractors.
- 1.52 *"RFP"* means Request For Proposal.
- 1.53 *"Retrospective Review"* means review that is conducted after services are provided to a patient. The review is focused on determining the appropriateness, necessity, quality, and reasonableness of health care services provided.
- 1.54 *"Shall, Must"* indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.

	Uniform Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 19	
		OF 61	

- 1.55 *"Should"* indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the State may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.
- 1.56 *"Scope of Work"* means those provisions of this solicitation which specify the work and/or results to be achieved by the Contractor.
- 1.57 *"Solicitation"* means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
- 1.58 *"Solicitation Amendment"* means a written document that is authorized by the Contracting Officer and issued for the purpose of making changes to the Solicitation.
- 1.59 *"Standard of Care"* means a predefined outcome of patient care that the patient can expect from the encounter and which is accepted within the community of professionals based upon the best scientific knowledge, current outcome data, and clinical expertise.
- 1.60 *"Standards of Practice"* means an acceptable level of performance or an expectation for professional intervention or behavior generally formulated by practitioner organizations based upon clinical expertise and the most current research findings.
- 1.61 *"State"* means the State of Arizona.
- 1.62 *"Subcontract"* means any contractual agreement, expressed or implied, between the contractor and a third party to provide, or be accountable for providing all or a specified part of the services or goods to be delivered, which the Contractor has, itself contracted with AHCCCS.
- 1.63 *"Subcontractor"* means a person, agency, organization or entity to which the Contractor has contracted or delegated some of its functions or responsibilities to provide services or functions specifically related to fulfilling the Contractor's obligations to AHCCCS under the terms of this contract.
- 1.64 *"Third Party"* means an individual, entity or program that is or may be liable to pay all or part of the medical cost of injury, disease or disability of an AHCCCS applicant, eligible person or member.
- 1.65 *"Trend"* means a key type of pattern indicating a general tendency or direction of events or conditions, usually over a specific period of time.

2. **Inquiries:**


- 2.1 **Duty to Examine:** It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing, and check its Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.

	Uniform Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 20	
		OF 61	


- 2.2 **Solicitation Contact Person:** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation, shall be directed solely to the Solicitation Contact Person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation Contact Person as a contact.
- 2.3 **Submission of Inquiries:** The Solicitation Contact Person may require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time.
- 2.4 **Timeliness:** Any inquiry shall be submitted as soon as possible and **by January 6, 2006, 5:00 p.m., at the latest.** Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
- 2.5 **No Right to Rely on Verbal Responses:** Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.
- 2.6 **Solicitation Amendments:** The Solicitation shall only be modified by a Solicitation Amendment.
- 2.7 **Pre-Offer Conference:** If a Pre-Offer Conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. An Offeror should raise any questions they may have about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
- 2.8 **Persons With Disabilities:** Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation Contact Person. Requests shall be made as early as possible to allow time to arrange the accommodation.

3. **Offer Preparation:**


- 3.1 **Forms: No Facsimile or Telegraphic Offers:** An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation will be legible and contain the same information requested on the forms. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected.
- 3.2 **Typed or Ink; Corrections:** The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.

	Uniform Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 21	
		OF 61	

- 3.3 Evidence of Intent to be Bound: The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
- 3.4 Exceptions to Terms and Conditions:
- 3.4.1 If Offerors take any exception to any term, condition or requirement included in this solicitation document, such exception shall be submitted to the Contract Specialist prior to the due date and time for receipt of proposals. This will allow the Contract Specialist to review all exceptions and, if applicable, afford any approved exceptions to all other potential offerors.
- 3.4.2 If an Offeror includes, in their proposal, exceptions, not covered by paragraph 3.4.1, above, such exceptions shall be null, void and without force and shall not be considered, and may negatively affect AHCCCS' proposal evaluation based on the published evaluation criteria or may result in rejection of the proposal.
- 3.4.3 The Offeror's preprinted or standard terms will not be considered by AHCCCS as a part of any resulting Contract.
- 3.5 Subcontracts: Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- 3.6 Cost of Offer Preparation: AHCCCS will not reimburse any Offeror the cost of responding to a Solicitation.
- 3.7 Solicitation Amendments: Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation Amendment may result in rejection of the Offer.
- 3.8 Provision of Tax Identification Numbers: Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number, if applicable, in the space provided on the Offer and Acceptance Form.
- 3.9 Federal Excise Tax: The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.
- 3.10 Identification of Taxes in Offer: The State of Arizona is subject to all applicable state and local transaction privilege taxes. If Arizona resident Offerors do not indicate tax as a separate item in the offer, the State will conclude that the price(s) offered includes all applicable taxes.

	Uniform Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 22	
		OF 61	

- 3.11 **IRS W9 Form:** In order to receive payment under any resultant contract, Contractor shall have a current IRS W9 Form on file with the State of Arizona.
- 3.12 **Disclosure:** If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
- 3.13 **Solicitation Order of Precedence:** In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
- 3.13.1 Special Terms and Conditions;
 - 3.13.2 Uniform Terms and Conditions
 - 3.13.3 Statement or Scope of Work;
 - 3.13.4 Specifications;
 - 3.13.5 Attachments;
 - 3.13.6 Exhibits;
 - 3.13.7 Special Instructions to Offerors, and
 - 3.13.8 Uniform Instructions to Offerors
- 3.14 **Delivery:** Unless otherwise stated in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.


	Uniform Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 23	
		OF 61	

4. **Submission of Offer:**

- 4.1 **Sealed Envelope or Package:** Each Offer shall be submitted to the submittal location identified in this Solicitation, in a sealed envelope or package that identifies its contents as an Offer and the Solicitation number to which it responds. The appropriate Solicitation number shall be plainly marked on the outside of the envelope or package.
- 4.2 **Offer Amendment or Withdrawal:** An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
- 4.3 **Public Record:** Under applicable law, all Offers submitted and opened are public records and must be retained by AHCCCS. Offers shall be open to public inspection after Contract award, except for such portions of an Offer deemed to be confidential by AHCCCS.
- 4.4 **Non-collusion, Employment, and Services:** By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
 - 4.4.1 It did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - 4.4.2 It does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

5. **Evaluation:**

- 5.1 **Unit Price Prevails:** Where applicable, in the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
- 5.2 **Taxes.** Arizona transaction privilege and use taxes shall not be considered when evaluating Offers.
- 5.3 **Late Offers:** An Offer submitted after the exact Offer due date and time shall be rejected.
- 5.4 **Disqualification:** The Offer of an Offeror who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall be rejected.
- 5.5 **Offer Acceptance Period:** An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be ninety (90). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for ninety (90) days from the Best and Final Offer due date.

	Uniform Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 24	
		OF 61	

5.6 Payment: Payment shall comply with the requirement of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt of goods or services, the Contractor shall submit a complete and accurate invoice for payment from AHCCCS within thirty (30) days.

5.7 Waiver and Rejection Rights: Notwithstanding any other provision of the Solicitation, AHCCCS reserves the right to:

5.7.1 Waive any minor informality;

5.7.2 Reject any and all Offers or portions thereof; or

5.7.3 Cancel a Solicitation.

6. Award:

6.1 Number or Types of Awards: Where applicable, AHCCCS reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, whichever is deemed most advantageous to AHCCCS. If the Contracting Officer determines that an aggregate award to one Offeror is not in AHCCCS' best interest, "all or none" Offers shall be rejected.

6.2 Contract Inception: An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Contracting Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.


6.3 Effective Date: The effective date of this Contract shall be the date that the Contracting Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

7. Confidential Information:


7.1 If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld, a detailed statement advising the Contracting Officer of this fact shall accompany the submission and the information shall be so identified wherever it appears. Such statement must also state the specific harm or prejudice which may arise if disclosed.

7.2 The information identified by the person as confidential shall not be disclosed until the Contracting Officer makes a written determination.

7.3 The Contracting Officer shall review the statement and information and shall determine in writing whether the information shall be withheld.

	Uniform Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 25	
		OF 61	

8. **Contract Applicability:** Any contract resulting from this solicitation shall be for the exclusive use of AHCCCS.
9. **Electronic Documents:** AHCCCS may provide an electronic version of this procurement document. Any unidentified alteration or modification to the original document (or to any Exhibit contained therein) issued by AHCCCS shall be null and void. In those instances where modifications are identified, the original document issued by the State shall take precedence.
10. **Proposal Opening:** Proposals shall be opened on the date and time, and at the place designated on the cover page of this document, unless amended in writing by the state agency issuing the solicitation.
11. **Protests:** A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and the Arizona Administrative Code Title 2, Chapter 7, Article 9, Rules R2-7-901 through R2-7-937. It shall be in writing and be filed with the AHCCCS Contracting Officer and with the State Procurement Administrator. A protest of a solicitation or a contract award shall be received by the AHCCCS Contracting Officer before the offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:
- 11.1 The name, address and telephone number of the protester;
 - 11.2 The signature of the protester or its representative;
 - 11.3 Identification of the purchasing agency and the solicitation or contract number;
 - 11.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.


	Special Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 26	
		OF 61	

1. **Offeror's Contacts:** All questions concerning this Request for Proposal, including technical specifications, proposal process, etc. shall be directed to the Solicitation Contact Person, identified on the first page of this solicitation document. All questions shall be in writing and submitted either via e-mail (preferred) or telefax. Contact information is found on the front page of this document. Offerors may not contact other AHCCCS employees concerning this solicitation.

2. **Exceptions to Terms and Conditions:**
 - 2.1 If Offerors take any exception to any term, condition or requirement included in this solicitation document, such exception shall be submitted to the Contract Specialist prior to the due date and time for receipt of proposals. This will allow the Contract Specialist to review all exceptions and, if applicable, afford any approved exceptions to all other potential Offerors.
 - 2.2 If an Offeror includes, in their proposal, exceptions, not covered by paragraph 2.1, above, such exceptions shall be null, void and without force and shall not be considered, and may negatively affect AHCCCS' proposal evaluation based on the published evaluation criteria or may result in rejection of the proposal.
 - 2.3 The Offeror's preprinted or standard terms will not be considered by AHCCCS as a part of any resulting Contract.

3. **Evaluation Criteria:** Evaluation criteria are listed in the relative order of importance. The evaluation will be conducted in accordance with an established evaluation plan. The award(s) will be made to the responsible Offeror whose proposal is determined to be the most advantageous to AHCCCS, based on the following criteria:
 - 3.1 Qualifications of Assigned Personnel
 - 3.2 Experience and Expertise of the Firm
 - 3.3 Cost

4. **Proposal Information:** Offeror is to submit their proposal with one (1) original and four (4) copies (for a total of five (5) sets) in the format as contained in this RFP. **The original copy of the proposal should be clearly labeled "ORIGINAL."** *The proposal should be single-sided and pages sequentially numbered from page 1 to end page.* The material should be in sequence and related to the RFP. AHCCCS will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal. The proposal should include at least the following information:


	Special Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 27	
		OF 61	

4.1 **Qualifications of Assigned Personnel:**

- 4.1.1 Offeror should provide **a list of the names and assigned positions for all proposed key personnel**; clerical staff is not considered key personnel. Indicate the percentage of time each person will be assigned to this contract. The use of Exhibit B is furnished for the Offeror's use in presenting such information.
- 4.1.2 The qualifications of these proposed key personnel specific to the requirements of the Scope of Work will be considered in the evaluation. The Offeror should submit **a brief biographical sketch** related to the experience, technical expertise, qualifications, and responsibilities as related to the Scope of Work for each key personnel proposed.
- 4.1.3 While it is expected an Offeror would have a team on board consisting of at least a Physician and/or a Physician Advisor at the start of the contract, Offerors may submit detailed job descriptions in lieu of specific names of personnel. If job descriptions are submitted, Offerors should also address how they anticipate an aggressive training plan while actively recruiting.
- 4.1.4 The offeror should provide a **resume** for each proposed key person, which substantiates the key person possesses the experience and expertise to provide the assigned tasks and responsibilities as detailed in the Scope of Work. Each resume should include a description of the type and years of experience, training and other pertinent qualifications. Resumes should be limited to four (4) pages.
- 4.1.5 The Offeror may submit any other pertinent information which would substantiate each proposed key person possesses the experience, expertise and capability to provide the assigned services.


4.2 **Experience and Expertise of the Firm:**

- 4.2.1 The Offeror's experience and past performance will be evaluated on the extent of its success in managing and integrating work relevant to that defined in the Scope of Work. Therefore, the Offeror is advised to submit any and all information which documents successful and reliable **experience in past performances** as related to this RFP.
- 4.2.2 The Offeror should submit, at a minimum, **three (3) professional services references** which would demonstrate the Offeror possesses an understanding and the experience in providing medical review services. As these references may be checked, insure all information is current, accurate and prior permission to use is obtained from each reference. This information may be shown on the form attached as Exhibit C to this RFP or in a similar manner. "Confidential Clients" are not acceptable. The State reserves the right to contact as many references as deemed necessary as part of the evaluation process.
- 4.2.3 The Offeror should provide an **organizational chart** which clearly shows the reporting and lines of authority, to include all proposed key personnel and any proposed subcontractors.

	Special Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 28	
		OF 61	

The organizational chart should identify the prime point of contact between the offeror and the AHCCCS Project Manager.

- 4.3 **Cost:** The evaluation of the category of Cost shall be based on the total rate proposed for each category of review, as identified on the Pricing Schedule. AHCCCS is unable to provide historical costs for time attributed separately to physicians and RNs for each type of review; however, proposed rates should reflect industry norms or the Offeror's own experience.
- 4.4 **Additional Information:** The Offeror may submit any other pertinent information which would substantiate the Offeror has the experience, expertise and capability to provide the required services.
5. **Offshore Performance of Work Prohibited:** Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the proposal.
6. **Intent to Provide Certificate of Insurance:** The Offeror should provide a statement that, if notified of contract award, will submit to AHCCCS for review and acceptance, the applicable certificate/s of insurance as required within this RFP document, within five (5) business days of such notification.
7. **Offeror's Financial Disclosure:** The Offeror should complete Exhibit D, "Offeror's Financial Disclosure."
8. **Offeror's Checklist:** The Offeror should complete Exhibit E, "Offeror's Checklist."
9. **HIPAA Business Associate Addendum:** As protected health information, as defined in 45 CFR 164.501, may be made available to the selected vendor, this Addendum is part of the Contract.
10. **Offeror's Responsibility:** The Offeror is cautioned that it is the Offeror's sole responsibility to submit information related to the evaluation categories and that the State of Arizona is under no obligation to solicit such information if it is not included with the Offeror's proposal. Failure of the Offeror to submit such information may cause an adverse impact on the evaluation of the Offeror's proposal.
11. **Discussions:** In accordance with A.R.S. §41-2534, after the initial receipt of proposals, discussions may be conducted with Offeror(s) who submit proposals determined to be reasonably susceptible of being selected for award. Award may be made without discussions; therefore, offers should be submitted complete and on most favorable terms.

	Special Instructions to Offerors		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 29	
		OF 61	

12. Additional Information for Submittal of Proposal:


- 12.1 It is the responsibility of each Offeror to insure their proposal is delivered to AHCCCS by the due date and time. Allow for such contingencies as heavy traffic, weather, directions to submittal location, parking, common carriers not delivering as requested, etc. AHCCCS shall not accept late proposals past the due date and time.
- 12.2 AHCCCS is not responsible for supplying boxes, envelopes, tape, etc. to Offerors at time of proposal delivery.
- 12.3 When submitting your proposal to AHCCCS, insure your company name and the Request for Proposal solicitation number is clearly marked on the outside of the envelope/package.

13. Value in Procurement


Through the Governor's Efficiency Review Initiative, the Value in Procurement Committee has been established. A major initiative of the VIP Committee is to aggregate specific procurements to increase efficiency and cut costs. The VIP Committee may designate and establish a statewide contract for these types of goods or services. At such time, this contract may not be extended beyond its current term, although additional contract extensions may still be available.

14. Federal Immigration and Nationality Act


The Contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the Contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of Contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default, and suspension and/or debarment of the Program Contractor.

	Uniform Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 30	
		OF 61	


1. **Advertising and Promotion of Contract:** The Contractor shall not advertise or publish information for commercial benefit concerning this contract without the prior written approval of the Contracting Officer.
2. **Amendments:** This Contract is issued under the authority of the Contracting Officer who signed this - Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract unless otherwise permitted by the Special Terms and Conditions. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized State employee or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
3. **Arizona Law:** The law of Arizona applies to this contract including, where applicable, the Uniform Commercial Code, as adopted in the State of Arizona.
4. **Arizona Procurement Code:** The Arizona Procurement Code, A.R.S. Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code Title 2, Chapter 7, is a part of this Contract as if fully set forth in it.
5. **Assignment and Delegation:** The Contractor shall not assign any right nor delegate any duty under this contract without prior written approval of the Contracting Officer, who will not unreasonably withhold such approval.
6. **Audits and Inspections:**
 - 6.1 The Contractor shall comply with all provisions specified in A.R.S. 35-214 and 35-215 and AHCCCS policies and procedures relating to the audit of Contractor's records and the inspection of Contractor's facilities. Contractor shall fully cooperate with AHCCCS staff and allow them reasonable access to Contractor's staff, subcontractors, members, and records.
 - 6.2 At any time during the term of this contract, and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by AHCCCS and, where applicable, the federal government, to the extent that the books and records relate to the performance of the contract or subcontracts.
 - 6.3 AHCCCS and the federal government may evaluate through on-site inspection or other means, the quality, appropriateness and timeliness of services performed under this contract.
7. **Availability of Funds for the Next Fiscal Year:** Funds may not presently be available for performance under this Contract beyond the current fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current fiscal year until funds are made available for performance of this Contract. The State shall make reasonable efforts to secure such funds.

	Uniform Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 31	
		OF 61	


8. **Cancellation for Conflict of Interest:** Pursuant to A.R.S. 38-511, AHCCCS may cancel this contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of AHCCCS is or becomes at any time, while the Contract or an extension of the Contract is in effect, an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation, unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. 38-511.
9. **Compliance with Applicable Laws:** The materials and services supplied under this Contract shall comply with all applicable federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
10. **Contract Claims:** All contract claims or controversies under this contract shall be resolved according to A.A.C. Title 9, Chapter 34, and rules adopted thereunder.
11. **Contract Order of Precedence:** In the event in the provisions of the contract, as accepted by AHCCCS and as they be amended, the following shall prevail in the order set forth below:
- 11.1 Special Terms and Conditions;
 - 11.2 Uniform Terms and Conditions;
 - 11.3 Statement or Scope of Work;
 - 11.4 Specifications;
 - 11.5 Attachments;
 - 11.6 Exhibits;
 - 11.7 Documents, referenced or included in the solicitation.
12. **Contractor's Representations and Warranties:** All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
13. **Delivery:** Unless stated otherwise in the contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.
14. **Exclusions:** Except as otherwise set forth in this Contract, there are no express or implied warranties of merchantability or fitness.

	Uniform Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 32	
		OF 61	


15. **Fitness.** The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
16. **Force Majeure:**
- 16.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
- 16.2 Force Majeure shall not include the following occurrences:
- 16.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
- 16.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
- 16.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 16.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- 16.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

	Uniform Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 33	
		OF 61	


17. **Gratuities:** The Contracting Officer may, by written notice to the Contractor, immediately terminate this contract if it determines that employment or a gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of AHCCCS for the purpose of influencing the outcome of the procurement or securing the contract, an amendment to the contract, or favorable treatment concerning the contract, including the making of any determination or decision about contract performance. The Contracting Officer, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the gratuity offered by the Contractor.
18. **Implied Contract Terms:** Each provision of law and any terms required by law to be in this contract are a part of this contract as if fully stated in it.
19. **Indemnification -- Patent and Copyright:** The Contractor shall defend, indemnify and hold harmless AHCCCS against any liability including costs and expenses for infringement of any patent, trademark or copyright arising out of contract performance or use by AHCCCS of materials furnished or work performed under this contract. The Contracting Officer shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.
20. **Indemnification**
- 20.1 Contractor/Vendor Indemnification (Not Public Agency)
- The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the Contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence
- 20.2 Public Agency Language Only
- Each party (“as indemnitor”) agrees to indemnify, defend, and hold harmless the other party (as indemnitee”) from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney’s fees) (hereinafter collectively referred to as ‘claims’)_arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.
21. **Inspection/Testing:** The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes for producing the materials, at reasonable times for inspection of the materials covered under this contract. AHCCCS shall also have the right to test at its own cost the materials to be supplied under this contract. Neither inspection at the Contractor's facilities nor testing shall constitute final acceptance of the materials. If AHCCCS determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by AHCCCS for testing and inspection.

	Uniform Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 34	
		OF 61	


22. **IRS W9 Form:** In order to receive payment under any resulting contract, the Contractor shall have a current IRS W9 Form on file with the State of Arizona.
23. **Liens:** The Contractor warrants that the materials supplied under this contract are free of liens.
24. **No Parole Evidence:** This contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any term used in this contract.
25. **No Waiver:** Either party's failure to insist on strict performance of any term or condition of the contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the performance and fails to object to it.
26. **Nonconforming Tender:** Materials supplied under this contract shall fully comply with the contract. The delivery of materials or a portion of the materials in an installment that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials, AHCCCS may terminate the contract for default under applicable termination clauses in the contract, exercise any of its rights and remedies under the Uniform Commercial Code or pursue any other right or remedy available to it.
27. **Non-Discrimination:** The Contractor shall comply with State Executive Order No. 99-4, which mandates that all persons, regardless of race, color, religion, sex, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable federal and state laws, rules and regulations, including the Americans with Disabilities Act. The Contractor shall take positive action to ensure that applicants for employment, employees, and persons to whom it provides service are not discriminated against due to race, creed, color, religion, sex, national origin or disability.
28. **Non-exclusive Remedies:** The rights and the remedies of AHCCCS under this contract are not exclusive.
29. **Notices:** Notices to the Contractor required by this Contract shall be made by the Contracting Officer to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to AHCCCS required by the Contract shall be made by the Contractor to the Contracting Officer. An authorized Contracting Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice and an amendment to the Contract shall not be necessary.
30. **Off-Shore Performance of Work Prohibited:** Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

	Uniform Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 35	
		OF 61	

31. **Payments:** The Contractor shall be paid as specified in the Contract. Payment must comply with requirements of A.R.S. Title 35.
32. **Payment of Taxes by AHCCCS:** AHCCCS shall pay only the rate and/or amount of taxes identified in the Offer and in any resulting contract.
33. **Purchase Orders:** The Contractor shall, in accordance with all terms and conditions of the contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Contracting Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this contract.
34. **Property of AHCCCS:** Any materials, including reports, computer programs and other deliverables, created under this contract are the sole property of AHCCCS. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the Contracting Officer.
35. **Records:** Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other records (“records”) relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records at no cost to the State.
36. **Relationship of Parties:** The Contractor under this contract is an independent contractor. Neither party to this contract shall be deemed to be the employee or agent of the other party to the contract.
37. **Risk of Loss:** The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
38. **Right of Offset:** AHCCCS shall be entitled to offset against any amounts due the Contractor any expenses or costs incurred by AHCCCS concerning the Contractor's non-conforming performance or failure to perform the contract, including expenses, costs and damages described in the proceeding paragraphs.
39. **Right to Assurance:** If AHCCCS, in good faith, has reason to believe that the Contractor does not intend to perform or continue performing this contract, the Contracting Officer may demand in writing that the Contractor give a written assurance of intent to perform. The demand shall be sent to the Contractor by certified mail, return receipt required. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at the Contracting Officer's option, be the basis for terminating the contract.

	Uniform Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 36	
		OF 61	

40. **Severability:** The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract, which may remain in effect without the invalid provision, or application.
41. **State and Local Transaction Privilege Taxes:** AHCCCS is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from its obligation to remit taxes.
42. **Stop Work Order:**
- 42.1 AHCCCS may, at any time, by written order to the Contractor, require the Contractor to stop all or any part of the work called for by this Contract for a period of ninety (90) days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 42.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
43. **Subcontracts:** The Contractor may, with the consent of the Contracting Officer, enter into written subcontract(s) for performance of certain of its functions under the contract. Subcontractors must be approved in writing by the Contracting Officer to the effective date of any subcontract.
- 43.1 No subcontract which the Contractor enters into with respect to performance under the contract shall in any way relieve the Contractor of any responsibility for performance of its duties.
- 43.2 The Contractor shall give the Contracting Officer immediate notice in writing by certified mail of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor which in the opinion of the Contractor may result in litigation related in any way to the contract with AHCCCS.
44. **Suspension or Debarment:** The Contracting Officer may, by written notice to the Contractor, immediately terminate this Contract if the Contracting Officer or the State determine that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.
45. **Tax Indemnification:** The Contractor and all subcontractors shall pay all Federal, State and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all


	Uniform Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 37	
		OF 61	

subcontractors, to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal and/or State and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.


46. Termination for Convenience: The Contracting Officer reserves the right to terminate the contract in whole or in part at any time when in the best interests of AHCCCS without penalty or recourse. The Contracting Officer shall give written notice by certified mail, return receipt requested, to the Contractor of the termination at least ninety (90) days before the effective date of the termination. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the contract shall become the property of and be delivered to the Contracting Officer. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R 2-7-701 shall apply.

47. Termination for Default:

- 47.1 The Contracting Officer reserves the right to terminate this contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or failure to take corrective action as required by the Contracting Officer to comply with the terms of the contract. If the Contractor is providing services under more than one contract with AHCCCS, the Contracting Officer may deem unsatisfactory performance under one contract to be cause to require the Contractor to provide assurance of performance under any and all other contracts. In such situations, the Contracting Officer reserves the right to seek remedies under both actual and anticipatory breaches of contract if adequate assurance of performance is not received. The Contracting Officer shall mail written notice of the termination and the reason(s) for it to the Contractor by certified mail, return receipt requested.
- 47.2 In the event the Contractor requests a hearing prior to termination, AHCCCS is required by the Balanced Budget Act of 1997 to oversee the operation of the Contractor entity through appointment of temporary management prior to the hearing.
- 47.3 Upon termination under this paragraph, all documents, data, and reports prepared by the Contractor under the contract shall become the property of and be delivered to the Contracting Officer on demand.
- 47.4 The Contracting Officer may, upon termination of this contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this contract. The Contractor shall be liable for any excess costs incurred by AHCCCS in procuring the materials or services in substitution for those due from the Contractor.


	Uniform Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 38	
		OF 61	

48. **Third Party Antitrust Violations:** The Contractor assigns to AHCCCS any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor toward fulfillment of this contract.

	Special Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 39	
		OF 61	

1. **Acceptance or Rejection of Key Personnel:** AHCCCS reserves the right to review the qualifications and experience of all personnel prior to assignment of tasks by the Contractor and to conduct personal interviews. Notification of the removal or diversion of key personnel from the contract shall be provided to the assigned AHCCCS authorized representative no less than 14 days in advance of the anticipated change. The notification shall include the name of the proposed substitute(s) and such information AHCCCS would require to determine such substitution possesses the qualifications and skills necessary to perform the required services. The Contractor shall comply with a verbal request from AHCCCS to remove/replace any key personnel considered unsuited for tasks to be performed hereunder. If for any reason any of the Contractor's key personnel are removed from the tasks assigned to them, the Contractor shall otherwise replace said personnel within 24 hours of such removal unless otherwise directed by AHCCCS' authorized representative.
2. **Assignment of Contract and Bankruptcy:** This contract is voidable and subject to immediate cancellation by the Contracting Officer upon Contractor becoming insolvent or filing proceedings in bankruptcy or assigning rights or obligations under this contract without the prior written consent of the Contracting Officer.
3. **Authority to Contract:** This contract is issued under the authority of the Contracting Officer who signed this contract. Changes to the contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized state employee or made unilaterally by the Contractor are violations of the contract and of applicable law. Such changes, including unauthorized written contract amendments, shall be void and without effect, and the Contractor shall not be entitled to any claim under this contract based on those changes.
4. **Choice of Forum:** The parties agree that jurisdiction over any action arising out of or relating to this contract shall be brought or filed in a court of competent jurisdiction located in the State of Arizona.
5. **Continuation of Performance Through Termination:** The Contractor shall continue to perform, in accordance with the requirements of the contract, up to the date of termination, as directed in the termination notice.
6. **Conflict of Interest:** The Contractor shall not undertake any work that represents a potential conflict of interest, or which is not in the best interest of AHCCCS or the State without prior written approval by AHCCCS. The Contractor shall fully and completely disclose any situation that may present a conflict of interest. If the Contractor is now performing or elects to perform during the term of this contract any services for any AHCCCS health plan, provider or Contractor or an entity owning or controlling same, the Contractor shall disclose this relationship prior to accepting any assignment involving such party.
7. **Contract Cancellation (Immediate):** This contract is critical to AHCCCS and the agency reserves the right to immediately cancel the whole or any part of this contract due to failure of the Contractor to carry out any material obligation, term or condition of the contract. The Contracting Officer shall issue a written notice of default effective at once and not deferred by any interval of time. Default shall be for acting or failing to act an in any of the following:


7.1 The Contractor provides material that does not meet the specifications of the contract;

	Special Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 40	
		OF 61	

- 7.2 The Contractor fails to adequately perform the services set forth in the specifications of the contract;
- 7.3 The Contractor fails to complete the work required or furnish the materials required within the time stipulated in the contract;
- 7.4 The Contractor fails to make progress in the performance of the contract and/or gives the Contracting Officer reason to believe that the Contractor will not or cannot perform to the requirements of the contract.
- 7.5 The Contracting Officer may resort to any single or combination of the following remedies:
 - 7.5.1 Cancel any contract;
 - 7.5.2 Reserve all rights or claims to damage for breach of any covenants of the contract;
 - 7.5.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor.
 - 7.5.4 In case of default, the Contracting Officer reserves the right to purchase materials or to complete the required work in accordance with the Arizona Procurement Code. The Contracting Officer may recover reasonable excess costs from the Contractor by:
 - 7.5.4.1 Deduction from an unpaid balance;
 - 7.5.4.2 Collection against the bid and/or performance bond; or
 - 7.5.4.3 Any combinations of the above or any other remedies as provided by law.

8. Contract Cancellation (Minimum 10 Day): The Contracting Officer reserves the right to cancel the whole or any part of this contract due to failure by the Contractor to carry out any material obligation, term or condition of the contract. The Contracting Officer shall issue written notice to the Contractor for acting or failing to act as in any of the following:

- 8.1 The Contractor provides material that does not meet the specifications of the contract;
- 8.2 The Contractor fails to adequately perform the services set forth in the specifications of the contract;
- 8.3 The Contractor fails to complete the work required or furnish the materials required with in the time stipulated by the contract;
- 8.4 The Contractor fails to make progress in the performance of the contract and/or gives the Contracting Officer reason to believe that the Contractor will not or cannot perform to the requirements of the contract.

	Special Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 41	
		OF 61	

8.5 Upon receipt of the written notice of concern, the Contractor shall have a minimum of ten (10) days (Contracting Officer may determine a longer period) to provide a satisfactory response to the Contracting Officer. Failure on the part of the Contractor to adequately address all issues of concern may result in the Contracting Officer resorting to any single or combinations of the following remedies.

8.5.1 Cancel any contract;

8.5.2 Reserve all rights or claims to damage for breach of any covenant of the contract;

8.5.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material no-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor;


8.5.4 In case of default, the Contracting Officer reserves the right to purchase materials, or to complete the required work in accordance with the Arizona Procurement Code. The Contracting Officer may recover reasonable excess costs from the Contractor by;

8.5.4.1 Deduction from an unpaid balance;

8.5.4.2 Collection against the bid and/or performance bond; or


8.5.4.3 Any combination of the above or any other remedies as provided by law.

9. **Contract Disputes:** Contract disputes arising under A.R.S. § Title 36, Chapter 29 shall be adjudicated in accordance with AHCCCS Rules.
10. **Contract Use:** This contract may be used by any state agency, board or commission of the State of Arizona. It may also be made available to any political subdivision as defined by federal code of regulations upon written approval by the contracting agency.
11. **Cooperation with other Contractors:** AHCCCS may award other contracts for additional work related to this contract and Contractor shall fully cooperate with such other contractors and AHCCCS employees or designated agents, and carefully fit its own work to such other contractors' work. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by AHCCCS employees.
12. **Confidentiality of Records:** The Contractor shall establish and maintain procedures and controls that are acceptable to AHCCCS for the purpose of assuring that no information contained in its records or obtained from AHCCCS or others carrying out its functions under the contract, shall be used or disclosed by it, its agents, officers or employees, except as required to efficiently perform duties under the contract. Persons requesting such information shall be referred to AHCCCS. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the contract, unless otherwise agreed to, in writing, by AHCCCS.

	Special Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 42 OF 61	

13. **Covenant Against Contingent Fees:** The Contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. For violation of this warranty, the Contracting Officer shall have the right to annul this contract without liability.
14. **Contract:**
- 14.1 The contract between AHCCCS and the Contractor shall consist of (1) the Request for Proposal (RFP) and any amendments thereto, (2) the proposal submitted by the Contractor in response to the RFP, and (3) Best and Final Offer, if any. In the event of a conflict in language between the two documents referenced, the provisions and requirements set forth and/or referenced in the RFP shall govern. However, AHCCCS reserves the right to clarify any contractual relationship in writing, and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the Contractor's proposal. In all other matters not affected by the written clarification, if any, the RFP shall govern.
- 14.2 The contract shall be construed according to the laws of the State of Arizona. The State of Arizona is not obligated for the expenditures under the contract until funds have been encumbered.
15. **Disclosure of Confidential Information:** The Contractor shall not, without prior written approval from the Contracting Officer, either during or after the performance of the services required by this contract, use, other than for such performance, or disclose to any person other than AHCCCS personnel with a need to know, any information, data, material, or exhibits created, developed, produced, or otherwise obtained during the course of the work required by this contract. This nondisclosure requirement shall also pertain to any information contained in reports, documents, or other records furnished to the Contractor by AHCCCS.
16. **Effective Date:** The effective date of this contract shall be the date that the Contracting Officer signs the Offer and Award page of this document.
17. **Employees of the Contractor:** All employees of the Contractor employed or in performance of work under this Contract shall be employees of the Contractor at all times and not of AHCCCS. The Contractor shall comply with the Social Security Act, Workers' Compensation laws and unemployment laws of the State of Arizona as well as federal, state and local legislation relevant to the Contractor's business.
18. **Federal Immigration and Nationality Act:**

The Contractor shall comply with all federal, state, and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the Contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. AHCCCS shall retain the right to perform random audits of Contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should AHCCCS determine that the Contractor and/or any subcontractors be found noncompliant, AHCCCS may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default, and suspension and/or debarment of the Contractor.

	Special Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 43	
		OF 61	

19. Incorporation by Reference: This solicitation and all attachments and amendments, the Contractor's proposal, best and final offer accepted by the Contracting Officer, and any approved subcontracts are hereby incorporated by reference into the contract.

20. Indemnification Clause:

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, political subdivision, commission or university of the State of Arizona.

21. Insurance Requirements:


Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

21.1 Minimum Scope And Limits Of Insurance: Contractor shall provide coverage with limits of liability not less than those stated below.

21.1.1 Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

	Special Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 44	
		OF 61	

- General Aggregate
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

21.1.1.1 The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”***

21.1.1.2 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2.1.2 Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.


Combined Single Limit (CSL) \$1,000,000

The policy shall be endorsed to include the following additional insured language: **“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.”**

21.1.3. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

21.1.3.1 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

	Special Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 45	
		OF 61	

21.1.3.2 This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

21.1.4 Professional Liability (Errors and Omissions Liability)

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

21.1.4.1 In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

21.1.4.2 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

21.1.4.3 The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.


21.2 Additional Insurance Requirements: The policies shall include, or be endorsed to include, the following provisions:

21.2.1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

21.2.2 The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.

21.2.3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

21.3. Notice Of Cancellation: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to AHCCCS, Contracts and Purchasing, 701 E. Jefferson St., MD 5700, Phoenix, AZ 85034, and shall be sent by certified mail, return receipt requested.

	Special Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 46	
		OF 61	

21.4. **Acceptability Of Insurers:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an “A.M. Best” rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

21.5 **Verification Of Coverage:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.


All certificates required by this Contract shall be sent directly to AHCCCS, Contracts and Purchasing, 701 E. Jefferson St., MD 5700, Phoenix, AZ 85034. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.
DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.

21.6 **Subcontractors:** Contractors’ certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.


21.7 **Approval:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

21.8. **Exceptions:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the Contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

22. **Key Personnel:** It is essential that the Contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Contractor must assign specific individuals to the key positions. Once assigned to work under the contract, key personnel shall not be removed or replaced without the prior written approval of AHCCCS' authorized representative and a copy to the Contracting Officer of record.

	Special Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 47	
		OF 61	


23. **Licenses:** Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor.
24. **Lobbying:** No funds paid to the Contractor by AHCCCS, or interest earned thereon, shall be used for the purpose of influencing or attempting to influence an officer or employee of any federal or State agency, a member of the United States Congress or State Legislature, an officer or employee of a member of the United States Congress or State Legislature in connection with awarding of any federal or State contract, the making of any federal or State grant, the making of any federal or State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal or State contract, grant, loan, or cooperative agreement. The Contractor shall disclose if any funds other than those paid to the Contractor by AHCCCS have been used or will be used to influence the persons and entities indicated above and will assist AHCCCS in making such disclosures to CMS.
25. **No Guaranteed Quantities:** AHCCCS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this contract.
26. **Non-exclusive Contract:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of AHCCCS. The state reserves the right to obtain like goods or services from another source when necessary.
27. **Other Contracts:** AHCCCS may undertake or award other contracts for additional or related work and the Contractor shall fully cooperate with such Contractors and state employees and carefully fit his own work to such additional work. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other Contractor or by state employees. AHCCCS shall equitably enforce this section to all contractors to prevent the imposition of unreasonable burdens on any contractor.
28. **Ownership of Information and Data:**
- 28.1 Any data or information system, including all software, documentation and manuals, developed by Contractor pursuant to this contract, shall be deemed to be owned by AHCCCS. The federal government reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for federal government purposes, such data or information system, software, documentation and manuals. Proprietary software which is provided at established catalog or market prices and sold or leased to the general public shall not be subject to the ownership or licensing provisions of this section.
- 28.2 Data, information and reports collected or prepared by Contractor in the course of performing its duties and obligations under this contract shall be deemed to be owned by AHCCCS. The ownership provision is in consideration of Contractor's use of public funds in collecting or preparing such data, information and reports. These items shall not be used by Contractor for any independent project of Contractor or publicized by Contractor without the prior written permission of the Contracting Officer. Subject to applicable state and federal laws and regulations, AHCCCS shall have full and complete rights to reproduce, duplicate, disclose and otherwise use all such information. At the termination of the contract, Contractor shall make available all such data to the Contracting Officer within thirty (30)

	Special Terms and Conditions		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 48	
		OF 61	

days following termination of the contract or such longer period as approved by the Contracting Officer. For purposes of this subsection, the term "data" shall not include member medical records.

28.3 Except as otherwise provided in this section, if any copyrightable or patentable material is developed by Contractor in the course of performance of this contract, the federal government, AHCCCS and the State of Arizona shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for state or federal government purposes.

29. **Responsibility for Payments Indemnification:** The Contractor shall be responsible for issuing payment for services performed by the Contractor's employees and will indemnify and save AHCCCS harmless for all claims whatsoever growing out of the lawful demands of employees, subcontractors, suppliers or any other third party incurred in the furtherance of the performance of the contract. The Contractor shall, at AHCCCS' request, furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged or waived.
30. **Term of Contract and Option to Renew:** The anticipated start date is April 1, 2006. The initial term of this contract shall be for one (1) initial year with four (4) one-year options to extend, not to exceed a total contracting period of five (5) years. The terms and conditions of any such contract extension shall remain the same as the original contract, as amended. Any changes in costs will be negotiated prior to execution of a Contract Amendment to extend the term of the contract. All contract extensions shall be through contract amendment, and shall be at the sole option of AHCCCS.
31. **Termination - Availability of Funds:** Funds are not presently available for performance under this contract beyond the current fiscal year. No legal liability on the part of AHCCCS for any payment may arise under this contract until funds are made available for performance of this contract. AHCCCS shall make reasonable efforts to secure such funds.
32. **Type of Contract:** Firm Fixed-Price.
33. **Warranty of Services:** The contractor warrants that all services provided under this contract will conform to the requirements stated herein. AHCCCS' acceptance of services provided by the Contractor shall not relieve the Contractor from its obligations under this warranty. In addition to its other remedies, the Contracting Officer may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all of the provisions of this contract in the manner and to the same extent as the services originally furnished.
34. **Independent Contractor:** The Contractor represents himself/herself to be an independent contractor offering such services to the general public and shall not represent himself/herself or his/her employees to be an employee of the State of Arizona and/or AHCCCS. Therefore, the Contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers compensation, employee insurance, etc.


	Exhibit A - Hospitals in Arizona		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 49	
		OF 61	

Requires on-site initial reviews in the following facilities, unless otherwise noted.

<u>MARICOPA COUNTY</u>	<u>COCONINO COUNTY</u>
Arizona Heart Hospital	Flagstaff Medical Center
Arizona Spine & Joint Hospital	Northern Arizona Rehab Center*
Arrowhead Community Hospital	Skilled Nursing Facilities in Flagstaff*
Banner Baywood Medical Center	
Banner Desert Medical Center	<u>PIMA COUNTY</u>
Banner Good Samaritan Medical Center	Cornerstone Hospital of SE AZ *
Banner Mesa Medical Center	El Dorado Medical Center
Banner Thunderbird Medical Center	Healthsouth Rehab Institute of Tucson *
Baywood Heart Hospital	Kindred Hospital-Tucson *
Chandler Regional Hospital	Kino Community Hospital
Del E. Webb Memorial (Sun City)	Northwest Medical Center
Healthsouth Meridian Point *	St. Joseph's Hospital
Healthsouth Valley of the Sun *	St. Mary's Hospital
John C. Lincoln Hospital (Deer Valley)	Tucson Heart Hospital
John C. Lincoln Hospital (North Mountain)	Tucson Medical Center
Kindred Hospital-Phoenix*	University Medical Center
Kindred Hospital -Scottsdale *	
Los Ninos Hospital	Skilled Nursing Facilities in Tucson*
Maricopa Medical Center	
Maryvale Hospital	
Mayo Clinic Hospital	<u>PINAL COUNTY</u>
Mesa General Hospital & Medical Center	Casa Grande Regional Medical Center - telephonic
Paradise Valley Hospital	Skilled Nursing Facilities in Casa Grande -telephonic
Phoenix Baptist Hospital & Medical Center	
Phoenix Children's Hospital (Thomas & McDowell)	
Phoenix Memorial Hospital	
Promise Specialty Hospital- Phoenix *	<u>YUMA COUNTY</u>
Scottsdale Healthcare –Shea *	Yuma Regional Medical Center - telephonic
Scottsdale Healthcare–Osborn*	Yuma Nursing Center - telephonic
Select Specialty Hospital - Scottsdale*	
Select Specialty Hospital – Mesa*	
Select Specialty Hospital – Phoenix*	
Select Specialty Hospital –Phoenix Down Town*	Arizona Psychiatric Hospitals – if the need arises
St. Joseph's Hospital & Medical Center	
St. Luke's Medical Center	
Tempe St. Luke's Hospital	
Walter O. Boswell Memorial Hospital	
West Valley Hospital Medical Center	


Skilled Nursing Facilities in Maricopa County *

* Telephonic reviews if continued to follow from acute facility. Initial review to be conducted on site if a new case.


	Exhibit B - Key Personnel		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 50	
		OF 61	

Name of Assigned Key Personnel	Assigned Position	Percentage of Time Assigned

The Offeror should submit specific background information for each key individual (i.e., education, training and work experience). NOTE: a generic resume is not acceptable.

	Exhibit C - Firm's References		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 51	
		OF 61	

- 1.1 The Offeror should submit, at a minimum, three (3) professional services references which would demonstrate the Offeror possesses an understanding and the experience in providing medical review services. As these references may be checked, insure all information is current, accurate and prior permission to use is obtained from each reference.
- 1.2 Each reference should provide at least the following information:
 - 1.2.1 Name, address and telephone number of Contracting Agency or Company;
 - 1.2.2 Contact Person who may be contacted for verification of all information submitted;
 - 1.2.3 Location of Services;
 - 1.2.4 Name of all key personnel and sub-contractors used;
 - 1.2.5 Start and completion date of work performed, and
 - 1.2.6 Detailed written narrative of the specific services performed.

	Exhibit D - Offeror's Financial Disclosure		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 52	
		OF 61	

OFFEROR'S FINANCIAL DISCLOSURE

Instructions: Complete each item, using attachments where necessary. If attachments are used, indicate the item number and question being referenced as it appears below.


	<u>YES</u>	<u>NO</u>
A. Does the Offeror's organization prepare a public annual financial statement?		
If not, is an unaudited financial statement available upon request?	_____	_____
B. Is your organization audited by an independent auditor?		
If yes, answer 1 through 4.	_____	_____
1) How often are audits conducted?		

2) By whom are they conducted?		

3) Are management letters or internal controls issued by the auditing firm?	_____	_____
4) Does your organization have any uncorrected audit exceptions?	_____	_____
C. Are there any suits, judgments, tax deficiencies or claims pending against your organization? If yes, answer 1 and 2	_____	_____
1) What is the dollar amount?		

2) In which state(s)?		

D. Has the Offeror's organization ever gone through bankruptcy?	_____	_____

	Exhibit E - Offeror's Checklist		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 53	
		OF 61	

Note to Prospective Offerors: This Exhibit has been added to this RFP as a convenience to Offerors. It is believed to be a complete listing of all submission requirements pursuant to this RFP. However, if a requirement is stated anywhere in the RFP text, yet does not appear in the Offeror's Checklist, the text statement takes precedence over the omission of that requirement in the Offeror's Checklist.

Requirement #	Description:	RFP Page	Offeror's Page #
1	Offeror's checklist completed (i.e., page numbers entered in the right-hand column of this table.)	This Page	
2	Offer and Acceptance page complete	Page 3	
3	Pricing Schedule	Pages 12-14	
4	Copies of proposal submitted as one (1) marked "Original" and four (4) copies	Page 26	
	<i>Proposal consists of the following:</i>		
5	List of all proposed Key Personnel (Exhibit B)	Page 27	
7	Brief biographical sketch for each key person	Page 27	
	Resume for each key person	Page 27	
8	Information which documents the firm's successful & reliable past performance experience	Page 27	
9	Minimum of three (3) professional services references for the firm	Page 27	
10	Organization chart	Page 27	
11	Any additional information (optional)	Page 28	
12	Statement of Intent to provide Certificate of Insurance	Page 28	
13	Financial Disclosure (Exhibit D)	Page 28	



ADDITIONAL INFORMATION

SOLICITATION NO.: YH06-0011

PAGE
54

OF
61

AHCCCS

Arizona Health Care Cost Containment System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

AHCCCS Eligible Members

Fee-For-Service


Population Totals

Date	ESP	IHS
January 1, 2005	74,097	86,169
February 1, 2005	72,751	85,427
March 1, 2005	73,642	85,773
April 1, 2005	73,421	86,183
May 1, 2005	73,938	86,762
June 1, 2005	74,748	86,130
July 1, 2005	73,373	85,560
August 1, 2005	74,864	85,820
September 1, 2005	73,687	85,322
October 1, 2005	73,820	84,621
November 1, 2005	75,179	84,678

Date	ESP	IHS
January 1, 2004	63,940	78,953
February 1, 2004	64,556	78,946
March 1, 2004	63,070	78,812
April 1, 2004	62,972	78,821
May 1, 2004	63,264	79,596
June 1, 2004	64,209	80,481
July 1, 2004	65,644	80,077
August 1, 2004	67,403	81,823
September 1, 2004	71,500	83,995
October 1, 2004	73,163	85,452
November 1, 2004	76,260	86,291
December 1, 2004	75,485	85,289

ESP indicates the Emergency Services Program, IHS indicates Indian Health Services.


Source: Eligibility & Enrollment Reports, June 2004 & November 2005 (DMS)

	ADDITIONAL INFORMATION		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 55	
		OF 61	

AUTHORIZED ACUTE HOSPITALIZATION & CONTINUED STAY REVIEW

2005	ESP ACUTE HOSP PA	IHS ACUTE HOSP PA	LTC ACUTE HOSP PA	IHS SKILLED NURSING	TOTAL PA ISSUED FOR ACUTE HOSP	TOTAL HSAG REFERRED*
JAN	607	448	43	24	1122	605
FEB	532	519	32	22	1105	625
MAR	576	562	41	29	1208	655
APRIL	533	534	35	42	1144	673
MAY	546	563	33	41	1183	687
JUNE	598	541	26	40	1205	718
JULY	549	446	45	33	1073	691
AUG	632	527	24	36	1219	791
SEP	635	458	21	40	1154	731
OCT	611	465	34	51	1161	771
NOV						
DEC						
TOTAL	5819	5063	334	358	11574	6947

* All AHCCCS members who received prior authorizations and were referred to HSAG received continued stay review.

	Certificate of Insurance		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 56	
		OF 61	

Prior to commencing services under this contract, the contractor must furnish the state certification from insurer(s) for coverages in the minimum amounts as stated below. The coverages shall be maintained in full force and effect during the term of this contract and shall not serve to limit any liabilities or any other contractor obligations.

Name and Address of Insurance Agency:	Company Letter:	Companies Affording Coverage:
	A	
	B	
Name and Address of Insured:	C	
	D	

LIMITS OF LIABILITY MINIMUM - EACH OCCURRENCE		COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	DATE POLICY EXPIRES
Bodily Injury Per Person Each Occurrence Property Damage OR Bodily Injury and Property Damage Combined			Comprehensive General Liability Form Premises Operations Contractual Independent contractors Products/Completed Operations Hazard Personal Injury Broad Form Property Damage Explosion & Collapse (If Applicable) Underground Hazard (If Applicable)		
Same as Above			Comprehensive Auto Liability Including Non-Owned (If Applicable)		
Necessary if underlying is not above minimum			Umbrella Liability		
Statutory Limits			Workmen's Compensation and Employer's Liability		
			Other		


State of Arizona and the Department named above are added as additional insured as required by statute, contract, purchase order, or otherwise requested. It is agreed that any insurance available to the named insured shall be primary of other sources that may be available.

It is further agreed that no policy shall expire, be canceled or materially changed to affect the coverage available to the state without thirty (30) days written notice to the State. This Certificate is not valid unless countersigned by an authorized representative of the insurance company.

Name and Address of Certificate Holder:

Date Issued: _____


Authorized Representative

	HIPAA Business Associate Addendum		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 57	
		OF 61	


This Addendum is made part of this Contract between the Arizona Health Care Cost Containment System ("AHCCCS") and the Contractor, referred to as "Business Associate" in this addendum.

AHCCCS and Business Associate agree that this Contract shall comply with the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as set forth in Title 45, Parts 160 and 164 of the Code of Federal Regulations (the "CFR"). In the event of conflicting terms or conditions, this Addendum shall supersede the Contract.

1. **Definitions.** Capitalized terms not otherwise defined in the Contract shall have the meanings given to them in Title 45, Parts 160 and 164 of the CFR and are incorporated herein by reference.
2. **Use and Disclosure of Protected Health Information.** Business Associate shall use and/or disclose Protected Health Information ("PHI") only to the extent necessary to satisfy Business Associate's obligations under the Contract.
3. **Prohibition on Unauthorized Use or Disclosure of PHI.** Business Associate shall not use or disclose any PHI received from or on behalf of AHCCCS, except as permitted or required by the Contract, as required by law or as otherwise authorized in writing by AHCCCS. Business Associate shall comply with:
 - (a) Title 45, Part 164 of the CFR;
 - (b) State laws, rules and regulations applicable to PHI not preempted pursuant to Title 45, Part 160, Subpart B of the CFR or the Employee Retirement Income Security Act of 1974 ("ERISA") as amended; and
 - (c) AHCCCS's health information privacy and security policies and procedures.
4. **Business Associate's Operations.** Business Associate may use PHI it creates or receives for or from AHCCCS only to the extent necessary for Business Associate's proper management and administration or to carry out Business Associate's legal responsibilities. Business Associate may disclose such PHI as necessary for Business Associate's proper management and administration or to carry out Business Associate's legal responsibilities only if:
 - (a) The disclosure is required by law; or
 - (b) Business Associate obtains reasonable assurance, evidenced by written contract, from any person or organization to which Business Associate shall disclose such PHI that such person or organization shall:
 - (i) Hold such PHI in confidence and use or further disclose it only for the purpose for which Business Associate disclosed it to the person or organization or as required by law; and
 - (ii) Notify Business Associate (who shall in turn promptly notify AHCCCS) of any instance of which the person or organization becomes aware in which the confidentiality of such PHI was breached.
5. **Data Aggregation Services.** Business Associate may use PHI to provide Data Aggregation Services related to AHCCCS's Health Care Operations.

	HIPAA Business Associate Addendum		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 58	
		OF 61	

6. **PHI Safeguards.** Business Associate shall develop, implement, maintain and use appropriate administrative, technical and physical safeguards to prevent the improper use or disclosure of any PHI received from or on behalf of AHCCCS.
7. **Electronic Health Information Security and Integrity.** Business Associate shall develop, implement, maintain and use appropriate administrative, technical and physical security measures in compliance with Section 1173(d) of the Social Security Act, Title 42, Section 1320d-2(d) of the United States Code and Title 45, Part 142 of the CFR to preserve the integrity and confidentiality of all electronically maintained or transmitted Health Information received from or on behalf of AHCCCS pertaining to an individual. Business Associate shall document and keep these security measures current.
8. **Protection of Exchanged Information in Electronic Transactions.** If Business Associate conducts any Standard Transaction for or on behalf of AHCCCS, Business Associate shall comply, and shall require any subcontractor or agent conducting such Standard Transaction to comply, with each applicable requirement of Title 45, Part 162 of the CFR. Business Associate shall not enter into or permit its subcontractors or agents to enter into any Trading Partner Contract in connection with the conduct of Standard Transactions for or on behalf of AHCCCS that:
 - (a) changes the definition, Health Information condition or use of a Health Information element or segment in a Standard;
 - (b) adds any Health Information elements or segments to the maximum defined Health Information set;
 - (c) uses any code or Health Information elements that are either marked "not used" in the Standard's Implementation Specification or are not in the Standard's Implementation Specification(s); or
 - (d) changes the meaning or intent of the Standard's Implementation Specification(s).
9. **Subcontractors and Agents.** Business Associate shall require each of its subcontractors or agents to whom Business Associate may provide PHI received from, or created or received by Business Associate on behalf of AHCCCS to agree to written contractual provisions that impose at least the same obligations to protect such PHI as are imposed on Business Associate by the Contract.
10. **Access to PHI.** Business Associate shall provide access, at the request of AHCCCS, to PHI in a Designated Record Set, to AHCCCS or, as directed by AHCCCS, to an individual to meet the requirements under Title 45, Part 164, Subpart E, Section 164.524 of the CFR and applicable state law. Business Associate shall provide access in the time and manner set forth in AHCCCS's health information privacy and security policies and procedures.
11. **Amending PHI.** Business Associate shall make any amendment(s) to PHI in a Designated Record Set that AHCCCS directs or agrees to pursuant to Title 45, Part 164, Subpart E, Section 164.526 of the CFR at the request of AHCCCS or an Individual, and in the time and manner set forth in AHCCCS's health information privacy and security policies and procedures.

	HIPAA Business Associate Addendum		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 59	
		OF 61	

12. Accounting of Disclosures of PHI.

- (a) Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for AHCCCS to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with Title 45, Part 164, Subpart E, Section 164.528 of the CFR.
- (b) Business Associate agrees to provide AHCCCS or an individual, in the time and manner set forth in AHCCCS's health information privacy and security policies and procedures, information collected in accordance with Section 11(a) above, to permit AHCCCS to respond to a request by an individual for an accounting of disclosures of PHI in accordance with Title 45, Part 164, Subpart E, Section 164.528 of the CFR.

13. Access to Books and Records. Business Associate shall make its internal practices, books and records relating to the use and disclosure of PHI received from or on behalf of AHCCCS available to AHCCCS and to DHHS or its designee for the purpose of determining AHCCCS's compliance with the Privacy Rule.


14. Reporting. Business Associate shall report to AHCCCS any use or disclosure of PHI not authorized by the Contract, by law, or in writing by AHCCCS. Business Associate shall make the report to AHCCCS's Privacy Official not less than 24 hours after Business Associate learns of such unauthorized use or disclosure. Business Associate's report shall at least:

- (a) identify the nature of the unauthorized use or disclosure;
- (b) identify the PHI used or disclosed;
- (c) identify who made the unauthorized use or received the unauthorized disclosure;
- (d) identify what Business Associate has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure;
- (e) identify what corrective action Business Associate has taken or shall take to prevent future similar unauthorized use or disclosure; and
- (f) provide such other information, including a written report, as reasonably requested by AHCCCS's Privacy Official.

15. Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of the Contract.

16. Termination for Cause. Upon AHCCCS's knowledge of a material breach by Business Associate of the terms of this Addendum, AHCCCS shall:


- (a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate if Business Associate does not cure the breach or end the violation within the time specified by AHCCCS.
- (b) Immediately terminate the Contract if Business Associate has breached a material term of the Contract and cure is not possible.
- (c) If neither termination nor cure is feasible, AHCCCS shall report the violation to DHHS.

	HIPAA Business Associate Addendum		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: YH06-0011	PAGE 60	
		OF 61	

17. Return or Destruction of Health Information.

- (a) Except as provided in Section 17(b) below, upon termination, cancellation, expiration or other conclusion of the Contract, Business Associate shall return to AHCCCS or destroy all PHI received from AHCCCS, or created or received by Business Associate on behalf of AHCCCS. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
- (b) In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to AHCCCS notification of the conditions that make return or destruction not feasible. Upon verification by AHCCCS that the return or destruction of PHI is not feasible, Business Associate shall extend the protections of the Contract to such PHI and limit further uses and disclosure of PHI to those purposes that make the return or destruction not feasible, for so long as Business Associate maintains such PHI.

18. Automatic Amendment. Upon the effective date of any amendment to the regulations promulgated by HHS with respect to PHI, the Contract shall automatically amend such that the obligations imposed on Business Associate as a Business Associate remain in compliance with such regulations.

			<p>AHCCCS</p> <p>Arizona Health Care Cost Containment System</p> <p>701 East Jefferson, MD 5700</p> <p>Phoenix, Arizona 85034</p>
	SOLICITATION NO.: YH06-0011	PAGE 61	
		OF 61	

End of Solicitation YH06-0011 Document